

NEW SOUTH WALES.
BUSINESS STATISTICS - 13th JANUARY, 1942.

Further measures have been taken to ensure supplies of men and material for war purposes. Import licences for about 50 commodities from non-sterling countries were reviewed as from 1st January. Export of certain goods is to be controlled. Certain classes of firearms must be surrendered to the Government. Stocks of brush bristles, hand tools and paint have been frozen until government orders have been placed. Scarcity of labour is being felt in both rural and urban districts. To help meet this position consolidation of retail deliveries has commenced.

The War Damage Insurance Commission has been appointed under the chairmanship of Mr. A.W. Coles. Rates of pension for civilians injured by enemy action have been announced. Maximum rates are 23/6 for an unmarried man or woman. A total income of 36/- is allowed with allowances for dependents in other cases.

C O N T E N T S.

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| PART I. | <u>Export Prices and External Conditions:</u> | British Government Accounts Apl.-Dec., 1941. London Stock Exchange. N.Y. Stock Exchange. U.S.A. organisation for war. |
| | <u>Currency Relationships:</u> | U.S.A. dollar freely exchangeable in Australia. Canadian exchange restrictions relaxed. |
| | <u>Rural Industries:</u> | Drought continues. Superphosphate rationing. Commonwealth buys export surplus of canned fruit and all exportable frozen meat. |
| | <u>Wool:</u> | U.S.A. prices. U.K. exports to U.S.S.R. |
| | <u>Wheat:</u> | U.S.A. and Canadian prices. N.S.W. prices, N.S.W. acreage licensed for 1942. |
| | <u>Butter and Cheese:</u> | N.S.W. quota for local consumption. Low cheese production. |
| | <u>Metals:</u> | London prices unchanged. Australian gold price. |
| | <u>Trading Banks:</u> | Deposits November, 1941. |
| | <u>Stock Exchange:</u> | Share price index December, 1941. |
| | <u>Real Estate:</u> | Sales and Mortgages December, 1941 and Jan.-Dec., 1941. |
| | <u>Overseas Trade:</u> | Australian import and export restrictions. |

EXPORT PRICES AND EXTERNAL CONDITIONS. The Australian Export Price Index remains practically unchanged under the influence of price-stabilisation schemes governing the sale of Australia's main exports. It stands at 83.2 for December, 1941 (base 1927 = 100).

British Government accounts for the period 1st April, 1941 to 31st December, 1941, show revenue at £m.1,298, expenditure as £m.3,572, giving a deficit for the period of £m.2,274. For the corresponding period of 1940, revenue amounted to £m.818, expenditure to £m.2,774, giving a deficit of £m.1,956.

Under the influence of Russian military successes the London Stock Exchange has remained fairly firm, although low prices for Australian bonds show the effect of the Pacific war. The "Financial Times" index of London share prices shows the highest figure for 1941 as 105.9 and the lowest as 83.0. For January 6, 1942 the index was 102.3.

At the end of the year the New York Stock Exchange was disturbed by selling to cover income tax payments. The tendency now is toward a slight rise in which Australian stocks share, although business generally is sluggish. The Dow Jones Index which stood at 110.96 on December 31st rose to 114.22 on January 5th.

The U.S.A. Government is concentrating on organising the nation for war. There has been a further call-up for military service, and the necessary physical standard has been lowered. The House of Representatives has passed a Bill authorising an increase in enlisted U.S.A. Navy strength from 300,000 to 500,000 and in enlisted Marine corps from 6,000 to 104,000. The Government has assumed control of all imports of vital war materials. Roosevelt has asked for production in 1942 of 60,000 fighting planes, 45,000 tanks, 20,000 anti-aircraft guns and 8,000,000 tons of shipping. Lease-lend aid has been extended to the free Czecho-slovakian and the Egyptian governments.

Civilian use of aluminium in U.S.A. has been practically banned. Home production has increased from 412.6 m. lbs. in 1940 to 800 m. lbs. in 1941 and a further increase to 1,400 m. lbs. is expected in 1942. The National Cotton Council reports that last year total U.S.A. cotton production was used by home industry for the first time since the Civil War. For 1942 home industry is expected to consume total output and some warehouse stocks.

CURRENCY RELATIONSHIPS: From 6th January, 1941, U.S.A. currency may be used for purchases in Australia. Exchange must be at stipulated rates (50 cents = 3/-, 1 dollar = 6/1). Persons receiving U.S.A. currency under this scheme are still required to sell it immediately to a bank.

The dollar-sterling rate remains unchanged at \$4.0375 to £1 stg.

By an Order-in-Council Canadians will no longer be required to sell sterling, and may operate on sterling account in Canada or elsewhere in the sterling area. The change will not affect Australian import control or licensing in any way.

RURAL INDUSTRIES

Seasonal Conditions: Almost all N.S.W. is urgently in need of rain. Coastal areas have suffered most, but the Riverina too, is drought-stricken. Stock not sent to agistment country are being hand-fed. The outlook is serious as continued drought has made it impossible in most districts to prepare land for green fodder crops. Even if the soil were ready, lack of moisture would prevent germination.

The Minister for Transport has announced that concession freight rates for fodder for starving stock will be continued for another month.

Farmers must lodge orders for superphosphate before the end of this month for delivery Jan.-June. The scale of rationing laid down in November has been revised in view of the changed war situation. From 1/1/42 the ration is to be 60% of 1939-40 purchases, a further reduction of 5%.

The Minister for Commerce announced on 7/1/42, that the Government would purchase unsold stocks of canned fruit produced for export and remaining on hand at October 1st, 1942. This would involve the Commonwealth in a liability of about £750,000. Rates of payment are to be determined by the Canned Fruit Board, the fruit industry sugar concession committee, and the Department of Commerce. The British Ministry of Food will not purchase canned fruit in 1942, but fruit pulp is wanted. As much as possible of the crops of apricots and peaches will be diverted to pulp.

In order to support the live stock market, and in the case of beef, to equalise returns to producers, the Commonwealth Government will purchase all frozen meat of classes permitted for export. The purchase prices will be less than the British contract prices. The surplus above British purchases is to be canned. The price-margin will provide a fund for expenses and pay a subsidy to canners who will be obliged to purchase meat at prices related to contract prices. The lamb purchase scheme which has been operating for some months will become part of the general fund. From January 26th 1942 frozen mutton of first quality will be purchased at contract prices less 15%. At the beginning of the new season lamb prices will be brought into line. Plans for beef and pig meats will be announced shortly.

WOOL: The U.S.A. Government has prohibited the sale of wool at rates higher than those ruling at the outbreak of war with Japan. Although stocks were fairly large prices rose steadily after the declaration of war, as consumption reached a new high level.

Lord Beaverbrook has announced that wool will be among the war material sent to U.S.S.R.

Due to the dry season, the weight of wool per head at the 1941 N.S.W. shearing was fairly low.

WHEAT: There has been very little U.S.A. trading in wheat during the last fortnight, after the slackening of the buying wave which followed the declaration of war on Japan. Price control and the operation of government loan agencies have put the wheat farmer in a very good position. U.S.A. wheat prices are determined under the Agriculture Acquisition Act by the purchasing power parity scheme, plus government loans. The increase in U.S.A. wheat prices in 1941 is due to (1) an increase in the fixed p.p. price, (2) an increase in government loans to 85% of the p.p. price, (3) local shortages of wheat coming on the market due to farmers holding back stocks for higher prices. The government has power to call in loans if prices rise above the fixed minimum, but this power has not been used. The Chicago price for July options rose from 80¹/₁₆ cents in January, 1941 to 130¹/₄ cents on 5th Jan., 1942. Canadian wheat is acquired under a government scheme similar to that operating in Australia. Fluctuations in prices of futures are due to storage charges etc..

NORTH AMERICAN WHEAT FUTURES.

July Options - cents per bushel.

| | CHICAGO. | WINNIPEG. |
|--------------|----------------------------------|----------------------------------|
| 1939 | | |
| September 2* | 73 ¹ / ₂ | 73 ¹ / ₂ |
| " 6* | 87 ⁵ / ₈ | 83 ¹ / ₂ |
| December | 102 | 89 ¹ / ₂ |
| 1940 | | |
| January | 98 ³ / ₈ | 87 ³ / ₈ |
| December | 80 ⁷ / ₈ | 78 ¹⁵ / ₁₆ |
| 1941 | | |
| January | 80 ¹ / ₁₆ | 78 ¹⁵ / ₁₆ |
| June | 101 ³ / ₁₆ | 77 ¹ / ₂ |
| November | 120 ⁹ / ₁₆ | 78 ¹ / ₂ |
| December | 126 ⁷ / ₁₆ | 79 ³ / ₁₆ |
| 1942 | | |
| January 5th | 130 ¹ / ₄ | 79 ⁷ / ₈ |

* May options.

3.

The Australian Wheat Board's price for wheat for flour for home consumption has remained unchanged at 3/11½ per bushel (bulk) since 5th August, 1940.

Demand for wheat for the local produce trade remains strong, and the market for export flour is still sluggish.

N.S.W. PRICES OF BULK WHEAT.

Shippers offers to 1938-39. Australian Wheat Board prices for wheat for local flour from December, 1939.

| | SEASON ENDED NOVEMBER. | | | | | DECEMBER | | 9th JANUARY, 1942. |
|----------------------------------|------------------------|-------|-------|-------|-------|----------|-------|--------------------------|
| | Average 1931-35 | 1937 | 1939 | 1940 | 1941 | 1940 | 1941 | |
| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | |
| Bulk Wheat ex. trucks, Sydney | 2 9½ | 5 3 | 2 5 | 3 10½ | 3 11½ | 3 11½ | 3 11½ | 3 11½ |

The N.S.W. harvest is expected to be completed by 9th January. The quality has been uniformly good. Practically none was below f.a.q. standard.

Wheatgrowers will be licensed by the Wheat Industry Stabilisation Board to sow the same acreage as last year. Owing to the dry season, early preparation of the land has been even more restricted than in 1939-40. This factor and the shortage of labour may lead to a reduced acreage being sown in N.S.W. in 1942. The Minister of Commerce has appealed to large growers voluntarily to reduce their acreage wherever possible. The government is planning for an Australian crop of 160,000,000 bushels in 1942.

BUTTER AND CHEESE: The quality of N.S.W. butter remains high despite the drought. Of the supplies graded by official graders from 1st March to 31st December, 1941, 92.5% was of choicest quality.

The quotas of both butter and cheese which may be sold in intrastate trade have been fixed for January at 37 per cent. For butter this is the highest January quota since 1937.

QUOTAS OF BUTTER AND CHEESE FOR LOCAL CONSUMPTION.

| | J A N U A R Y. | | | | | | |
|--------|----------------|------|------|------|------|------|------|
| | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 | 1942 |
| | % | % | % | % | % | % | % |
| Butter | 29 | 39 | 35 | 35 | 32 | 36 | 37 |
| Cheese | 44 | 50 | 40 | 29 | 32 | 36 | 37 |

The Minister of Commerce states that the Australian output of cheese will be considerably below the quantity (40,000 tons) ordered by the British Ministry of Food. Unfilled quantities and space allocations will not be transferred to butter, but to other commodities more urgently needed. There has been a poor response in Queensland to appeals to change from butter to cheese production, partly because the change has been impeded by dry weather. Queensland was to have produced 20,000 tons of cheese, but her production will probably be under 10,000 tons.

METALS: London fixed prices for copper, lead, spelter and tin remain unchanged. The price of silver is unchanged at 1/11½ per oz.

The price for gold lodged with mints or refiners in Australia is unchanged at £10.10. 0 per oz..

TRADING BANKS: Deposits of the nine private trading banks continue to rise, reaching £m.375.2 in November, 1941 as compared with £m.358.2 in November, 1940. From October to November, 1941 the increase was £m.5.8. Again the increase was due almost entirely to the rise in deposits not bearing interest. Deposits bearing interest were almost unchanged. Advances fell from October to November, 1941 by £m. 2.3 causing a further fall in the ratio of advances to deposits to 74% in November, 1941 as compared with 76% in October, 1941, and 79% in November, 1940.

SAVINGS BANKS: The number of accounts for N.S.W. and amount of deposits in savings banks in November, 1941 were published in B.S. 1941/1A.

STOCK EXCHANGE: Business remains slack and prices continued to fall slightly early in January. There was a slight upward tendency on the 6th and 7th January.

The indices for both 34 active shares and total companies as compiled by the State Statistician, remained fairly steady from January to November, but in December fell to the lowest level since August, 1940. Actually this figure does not show the full extent of the fall that took place after the outbreak of the Pacific war, since it averages the week before the war with the period 3 weeks after the war was declared. The fall was greatest for manufacturing and distributing companies.

STOCK EXCHANGE INDEX - SYDNEY.

Prices of Ordinary Shares - Excl. Banks. Par value = 100.

| Average for Month. | Manufacturing and Distributing | Retail Trade | Public Utilities | Pastoral and Finance | Insurance | Total 75 Companies | 34 Active Shares. |
|---------------------------|--------------------------------|--------------|------------------|----------------------|-----------|--------------------|-------------------|
| Sept. 1931 ^(a) | 72 | 60 | 88 | 75 | 121 | 74 | 77 |
| Mar. 1937 ^(b) | 214 | 204 | 181 | 169 | 281 | 190 | 200 |
| Dec. 1939 | 222 | 173 | 149 | 131 | 262 | 179 | 191 |
| Dec. 1940 | 221 | 169 | 140 | 122 | 256 | 172 | 185 |
| Jan. 1941 | 223 | 171 | 143 | 122 | 255 | 174 | 188 |
| June " | 214 | 163 | 134 | 119 | 251 | 166 | 180 |
| Oct. " | 221 | 173 | 142 | 126 | 251 | 172 | 186 |
| Nov. " | 216 | 167 | 142 | 123 | 249 | 168 | 182 |
| Dec. " | 204 | 160 | 138 | 118 | 241 | 161 | 171 |

(a) Lowest point of index for ~~all groups~~ ^{75 Co.'s}

(b) Highest point of index for ~~all groups~~ ^{75 Co.'s}

REAL ESTATE: Despite war conditions real estate sales were appreciably higher for the year 1941 than for 1939 or 1940. The value of mortgages registered is very low in relation to sales.

REAL ESTATE TRANSACTIONS - N.S.W.

| PERIOD. | MONTH OF DECEMBER. | | CALENDAR YEAR. | |
|-------------|----------------------|--------------------------|----------------|-----------|
| | SALES | MORTGAGES ^(a) | SALES | MORTGAGES |
| | £000 | £000 | £000 | £000 |
| Av. 1925-29 | 4,619 ^(b) | 4,042 ^(b) | 55,428 | 48,504 |
| 1938 | 2,797 | 2,343 | 37,419 | 26,967 |
| 1939 | 2,067 | 1,344 | 32,157 | 22,444 |
| 1940 | 2,477 | 1,100 | 31,053 | 16,497 |
| 1941 | 2,973 | 1,242 | 33,239 | 15,630 |

(a) Includes normal renewals 1925/29. Renewals were rendered unnecessary in many cases by the Moratorium Act, 1930

(b) Average of annual figure.

OVERSEAS TRADE: Import licences for about 50 commodities from non-sterling countries were reviewed as from 1st January. The import of some of these items has been prohibited: these include salmon and copra. For some items the quota has been cut by a half from 50% to 25% of the base year: items included are cocoa butter and brewer's pitch. Other items have been placed under direct government control in order to eliminate import of luxury lines and to consolidate orders: the principal goods included are woven cotton textiles, woven artificial silk textiles, sausage casings, tyre fabric, hand tools, motor cycles, synthetic resins, industrial diamonds and some industrial chemicals.

Export of certain goods from Australia is to be controlled. These goods include coal tar products, drugs, goods made from casein or cork, abrasives made from silicon and carbide grains.

Figures of overseas trade are not available for publication.